Reduction of **bulk LPG supply** by **RIL to IOC**

*167. SHRI MOHAMMED AMIN:
SHRI TAPAN KUMAR SEN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

1. whether recent LPG shortage in the country was also due to reduction in bulk LPG supplies by Reliance Industries Ltd. (RIL) in the month of January, 2008 to Indian Oil Corporation (IOC) and other public sector oil marketing companies;

1. if so, the details thereof;

2. whether there are any penal provisions in case of such abrupt reduction of supply by RIL

2. if so, the details thereof; and

3. if not, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) and (b) At present, there is no overall shortage of LPG in the country. Public Sector Oil Marketing Companies (OMCs) have reported that they have supplied 8,450 TMT (thousand metric tonnes) of domestic LPG in the country during the period April' 07-January '08 as against 8,030 TMT during the corresponding period of last year, showing a growth of 5.2%.

During the month of January '08 the actual LPG production at RIL, Jamnagar refinery was 236.97 TMT against the planned production of 240 TMT. This shortfall in production of about 3 TMT was marginal as the supplies from PSU refineries/fractonators during January '08 was 522 TMT. The backlog in LPG supplies in some States of the country during the month of January '08 was due to a combination of factors *viz:* Production of reduced/ off-spec LPG at some of the sources, delay in movement of bulk LPG by rail, delay in berthing of vessels at Haldia Port, increase in demand in some of the States due to the severe cold resulting in panic refill booking by customers, strikes and go slow agitations by contract labour in IOC plants in Karnataka, Tamil Nadu and West Bengal.

(c) to (e) At present, supply of LPG in RIL is being made under a "Product Off Take Agreement" signed between IOC and RIL which is valid up to 31.03.09. As per the agreement, IOC is to advise its deficit LPG for the financial year to RIL and subject to availability of LPG with them, RIL shall have the first right of supply to IOCL. Under the agreementRIL will indicate the price for supply of LPG. However, if IOC demonstrates to RIL that IOC can purchase LPG from other sources at lower rates than those offered by RIL, IOC will have the option to require RIL to match such price and in case of refusal, IOC will have the option to buy LPG from other sources.

Preferential allotments by companies

*168. MS. MABEL REBELLO: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) how many companies have made preferential allotments either to promoters or other private groups during the last three years;